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Draft country programme document for Lithuania (2004-2005)

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I. Situation analysis

1. In 2002 Lithuania successfully completed negotiations and was invited to join the North Atlantic Treaty Organization and the European Union. Significant political and economic changes contributed to this political achievement. A growth rate of 6.7 per cent was reached, the currency was successfully re-pegged to the Euro, and unemployment declined to around 10 per cent. National action plans for poverty reduction and the promotion of human rights were approved, and programmes against corruption, trafficking in women and drug abuse established. A strategic plan for the development of an information society was also launched. Ranking 45th in the 2003 human development report, Lithuania now places high in the human development scale for countries.

2. During the immediate post-accession period to the European Union Lithuania's national priorities will focus on the Euro-integration agenda, and on the effective utilization of European Union funds as outlined in the Single Programming Document for 2004-2006. Challenges remain about capacities for full application of new laws, the fragility of new institutions and the coordination and effective use of European Union funds. Financing of social interventions may be adversely affected by the fiscal pressure which will be exerted on the state budget to meet the European Union requirements. Poverty continues to be a problem and risks becoming structural. The agricultural sector lags behind in competitiveness and productivity and usage of new technologies remains relatively low. There are still unresolved issues related to reforming the pension and health systems. Despite one of the lowest infection rates in Europe, last year's HIV breakout in prisons doubled the numbers of affected people. Lastly, the closure of the Ignalina nuclear power plant requires rethinking of Lithuania's energy policy and action to mitigate its social impact.

3. Despite all the progress, disparities between regions and between rural and urban areas continue to increase. Furthermore, the sustainability of civil society organizations needs to be secured, and people empowered to actively engage in decision-making for the betterment of their lives.

4. As an European Union member in the process of joining the Organization for Economic Cooperation and Development (OECD)/ Development Cooperation (DAC), Lithuania is becoming a donor country and has already been providing technical and humanitarian assistance. A Government policy for the provision of official development assistance (ODA) has been adopted, and during 2002 and 2003 strategic documents on Lithuania's role in multilateral, bilateral and regional forums have been formulated. Since 2002, budgetary provision for development assistance has been in place.

5. The European Union has recognized capacity gaps and has made provision for transitional measures during 2004-2006 for the new member states. The proposed country programme 2004-2005 also reflects the United Nations Development Programme's (UNDP's) commitment to supporting the Government in addressing the remaining challenges in the immediate post-accession period.

II. Past cooperation and lessons learned

6. In UNDP's last country cooperation framework (CCF) for 2001-2003, poverty reduction and good governance were identified as crucial elements of development. These elements would help reduce social inequalities, and foster an environment conducive to citizens exercising their rights and participating fully in progress.

7 In the human rights sphere, a National Human Rights Action Plan (NHRAP) was formulated by means of a participatory process led by the Parliament (www.lrs.lt/hrap), the first one under the global Human Rights Strengthening (HURIST) programme. Additionally, an advocacy campaign was carried out, promoting tolerance and equal opportunities for all.

8. In the area of promotion of civil rights and good governance, the Juvenile Justice Programme greatly facilitated the development of a modern juvenile justice system.

9. In the area of promotion of economic and social rights, UNDP facilitated a participatory process to transform the National Poverty Reduction Strategy into a practical Action Plan for Poverty Reduction (PRAP) (http://www.undp.lt/en/?id=9). The plan is designed as a precursor to the European Union Joint Inclusion Memorandum (JIM) and the consequent National Action Plan for Social Inclusion (NAP). This process strengthened cross-sectoral cooperation and recognized civil society organizations as partners in poverty reduction.

10. UNDP's advocacy and policy dialogue across sectors placed HIV/AIDS as a prominent issue on the social agenda and contributed to the development of national strategy on HIV/AIDS prevention.

11. In helping formulate and implement the second National Action Plan for the Advancement of Women, UNDP aimed at improving women's capabilities for better livelihoods through access to information and communications technology (ICT) and small and medium enterprise (SME) development. A human development textbook in Lithuanian was produced to support the human development courses offered in four of the universities. UNDP's flagship publication continues to be the national human development report.

12. By supporting environmental rights and responsibilities, UNDP facilitated the process of environmental education. As a result of this support, the sustainable development concept was included in university curricula. The UNDP/Global Environment Facility (GEF) Small Grants Programme (SGP) promoted a participatory approach to sustainable development, using the environment as an entry point, and helped strengthen capacities of non-governmental and community-based organizations. Support to Local Agenda 21 initiatives and the Local Governments Information Network (LOGIN) strengthened administrative capacity at the local level, promoted ICT, built partnerships and involved rural communities in participating in local development schemes.

13. The main lessons learned from the previous CCF are: a) establishing an overall approach, i.e. human rights, which fosters linkages between different programme activities; b) policy advocacy helps to achieve progress in the implementation process; c) gender is not always productively integrated in projects; d) there is a greater need observed to encourage local initiatives and improve local capacities.

III. Proposed programme

Linkage with development institutions

14. The Common Country Assessment (CCA) was updated at the end of 2002 as a baseline assessment of Lithuania's situation, from the perspective of the millennium development goals (MDG), to enable the Government to monitor progress. The UNDP country programme document, the World Bank's Country Assistance Strategy (CAS) for Lithuania for 2003-2005 and the United Nations Children's Fund's (UNICEF's) Multi-Year, Multi-Country Programme for 2003-2005 (which includes Lithuania), all share a common orientation related to social and human development.

Cooperation strategies

15. This country programme has been developed in consultation with the Government, civil society and other partners, including donors. It has a two-pronged approach in recognition of Lithuania's new status from 1st May 2004 as a European Union member: a) the first objective of the draft country programme document is to assist the Government in closing the gaps and refining the integration process in areas in which UNDP has comparative advantages; b) the second objective is to help strengthen Lithuania's role as a donor of development assistance.

16. To fulfil the first objective, the country programme will help the Government in strengthening national capacities in *social inclusion, good governance* and *sustainable development.* During Lithuania's first years of European Union membership, UNDP's technical and advisory expertise will be used to leverage and direct the structural, cohesion, transitional and other funds made available to Lithuania, to ensure equitable and sustainable development.

Strengthening capacities for social inclusion

17. The programme will facilitate social inclusion through support to the implementation of the Poverty Reduction Action Plan. The main focus will be placed on the promotion of active measures to reduce poverty, particularly in rural areas. Poverty reduction advocacy will ensure continued political commitment. Efforts to increase national capacities to measure the degree of national poverty reduction and social inclusion will be supported. In partnership with the Government, the World Bank, civil society organizations and bilateral donors, the programme will stimulate the development of pro-poor policies. Mechanisms will be created to ensure that the impact of

policies on poverty are routinely assessed. The programme will also support integrated local development initiatives through empowerment and capacity building of rural communities. This will be done through the diversification of the rural economy, stimulation of new employment opportunities, support to the development of small and medium enterprises, and an improved ability to access rural development funds, particularly European Union structural regional funds that will become available for national budgeting following accession in 2004.

18. In cooperation with the Joint United Nations Programme on HIV/AIDS (UNAIDS) cosponsors, the programme will address the spread of HIV in the general public, especially within vulnerable groups such as the prison population and youth. To this end, a youth-friendly initiative, based on a multi-sectoral approach and grounded in local communities and young peoples' needs, will be offered in cooperation with UNICEF and the United Nations Population Fund (UNFPA). In addition, advisory services will be provided to support Lithuania's access to global funds for the prevention of HIV/AIDS.

19. In order to provide support in the area of gender mainstreaming the programme will link gender with other cross-thematic issues like ICT and poverty, in cooperation with bilateral donors. Care will be taken not to overlook men. The programme will include gender budgeting and gender disaggregated data management.

Strengthening capacities for good governance

20. The programme on governance will be based on existing human rights frameworks, and on building national administration capacities to efficiently manage the requirements for European Union membership, while making best use of the resources available. Human rights will be addressed by supporting the National Human Rights Action Plan. Anti-corruption efforts will concentrate on building coalitions among the Government, civil society and private sector organizations through education, information campaigns and consciousness raising. In order to absorb European Union development funds and best reach the beneficiaries, administrative capacities at all levels will be strengthened by applying ICT techniques, and by improved cooperation with the civil society and local authorities.

Strengthening capacities for sustainable development

21. The programme will support the Government in meeting international commitments on the environment and sustainable development, and integrating them into national development policy and planning agendas. As a follow up to the World Summit on Sustainable Development (WSSD), a National Sustainable Development Strategy is to be implemented, which will address the management of globally significant biodiversity areas, land degradation, persistent organic pollutants, climate change, and energy efficiency by employing partnerships, including Governmental institutions, scientific societies, the private sector and non-governmental organizations (NGOs). The GEF SGP will continue to support projects by Lithuanian NGOs and community-based organizations (CBOs) to forge poverty-environment linkages and demonstrate the potential for community-led strategies and actions.

Strengthening capacities as an emerging donor

22. These programmes will assist Lithuania, as an European Union member and an emerging donor, to become an active *contributor to international development cooperation* towards the achievement of the eighth MDG (to "develop a global partnership for development"). Lithuania is already contributing to UNDP's regional activities and participating in the 'Wider Europe' initiative of the European Union. The Lithuanian foreign policy principle of "good neighbourly relations" has resulted in an increasing number of requests from Eastern European and Commonwealth of Independent States (CIS) countries for sharing the experience of successful transition, demonstrated by one of the highest gross domestic product (GDP) growth rates currently in Europe (9.1%). Lithuania has already supported cooperation programmes in the Kaliningrad region of the Russian Federation, Belarus, Ukraine and Moldova. Partnership between UNDP and the Government will strengthen Lithuania's capacity as an emerging donor, and will facilitate the transfer of Lithuania's experience in the form of East-East and cross-border cooperation. For this purpose, development cooperation is to be mainstreamed in all activities of the UNDP country office. The Regional Bureau for Europe and the CIS,

at the Regional Support Centre (RSC) in Bratislava, can also contribute to this endeavour.

IV. Programme management, monitoring and evaluation

Monitoring

23. Project/programme steering committees and existing Governmental bodies, such as the National Poverty Monitoring Commission, the Commission for Implementation of the National Human Rights Action Plan and the Commission for Sustainable Development, will be employed for monitoring the progress towards the achievement of results. UNDP will work closely with implementation partners to improve their ability to measure progress towards targets, and to ensure that overall basic programme and project monitoring systems are in place and aligned with the results framework.

Execution and implementation

24. National execution will remain the preferred modality using Government entities, local authorities and NGOs. This will contribute to strengthening national capacities while allowing UNDP to provide advisory and operational support services, help channel European Union funds to priority social development areas, and facilitate the implementation of national programmes, based on established standards of accountability and transparency. Outcome evaluations and project/ programme audits will take place according to standard UNDP procedures and requirements.

Resource mobilization

25. A resource mobilization strategy will be developed for the proposed programme, geared towards further strengthening partnerships and co-financing with the Government. This will be done though identifying mechanisms and implementing arrangements whereby UNDP will provide support to national partners to prepare quality programmes, and help raise their absorptive capacities to make efficient use of European Union structural and cohesion funds. Mobilizing national resources, therefore, is an integral part of this programme. Other areas in which support will be extended are: a) cross-border cooperation to be linked with development cooperation in the areas of HIV/AIDS, environment and human rights among others; b) regular outreach and interaction with partners through joint projects and full and timely reporting; c) continued advocacy and communication activities in UNDP's main practice areas; d) concerted efforts to capitalize on additional opportunities for non-core funding available from various UNDP trust funds, facilities and programmes, as well as bilateral partners, international foundations and the private sector.

26. Based on the above, a programme delivery of $5 million is expected to be reached per annum, mostly through government cost-sharing. UNDP expects to generate at least $6.5 million from GEF, of which $4 million is already approved and approximately $600, 000 will come through the SGP funds.

27. The Government is interested in continuing with a full representational country office during the programming period of 2004-2005 and expects to meet 100 per cent of the local costs of the UNDP office (GLOC).

Annex. Results and resources framework for Lithuania (2004-2005)

Strategic areas of support	*Intended outcomes*	*Indicators of outcome or purpose*	*Outputs, including key output indicators, where needed*	*Resources (in thousands of United States dollars)*
Strategic objective 1: Expanded national/local capacity for social inclusion				
G2, SG1, SAS1, SAS2 **Expanding capacity of, and partnerships between, national institutions and civil society organizations responsible for the implementation and monitoring of the National Poverty Reduction Action Plan**	- Strengthened capacities of the national multi-sectoral Poverty Monitoring entity to propose policy reforms (based on findings regarding poverty situation) and ensure that the impact of government policies on poverty are routinely assessed	- An NGO network against poverty engaged in active dialogue with Government on poverty social inclusion issues - National multi-sectoral Poverty Monitoring entity's reports on poverty situation discussed publicly	- NGO network against poverty established and trained in the major subjects of pro-poor policy advocacy, networking and monitoring - Detailed scope of work and institutional design of the National Poverty Monitoring entity elaborated and approved - Capacity building requirements of the National Multi-sectoral Poverty Monitoring entity explored and addressed through training	Regular TRAC 250
	- Enhanced capacity of decentralized governance institutions and communities for local social and economic development	- Number of active rural partnerships (baseline 2002 = 3, target 2005 = 10) - Rural cooperatives (baseline 2002 =20, target 2005 =28) - Number of municipalities exercising youth-friendly services approach (baseline 2002 = 0, target 2005 = 5) - Regional ICT training centers for women (baseline 2002 = 1, target 2005 = 8) -Women trained by centers in cooperation with the Lithuanian Labour Exchange (baseline 2002= 0, target 2005 = 1000)	- Advocacy campaign for establishing rural partnerships and development of integrated local development plans carried out - Rural partnerships trained in formulation and implementation of integrated rural development plans - A rural cooperatives network developed to encourage good practices, mutual assistance and a voice for rural producers in relevant Government policy-making - Selected municipalities trained in application of youth-friendly services - Regional ICT training centers established. Increased capacity-building of women and women's NGO's.	Regular TRAC 100 Other GCS 900 TPCS 700 **Abbreviations:** TRAC: Target for resource assignment from the core GCS: Government cost-sharing TCPS: Third-party cost-sharing
Strategic objective 2: Promotion of human rights and implementation of good governance practices				
G1-SGN2-SASN4 Promotion of human rights	- Strengthened capacity of Government /civil society organizations to implement National Human Rights Action	- Government entities engaged in NHRAP(baseline 2002 = 0, target 2005 = 7) - Civil society organizations engaged in NHRAP(baseline 2002 = 0, target 2005 = 15)	- Training of judges/law enforcement officials on the rights of the accused carried out - Publications on human rights developed and widely disseminated	Regular TRAC 83

	Plan (NHRAP)	- Public trust in human rights protection increased (baseline 2002 = 3.5%, target 2005 = 13%)	- Training on rehabilitation of children conducted - Evaluation of human rights institutions and legislation carried out, areas for improvement identified	Other GCS 120 TPCS 50
G1-SGN4-SASN1 Efficiency and accountability in the civil service	- Improved efficiency, accountability and transparency in the civil service meeting European Union membership standards	- Local governments' participation (baseline 2003 = 0, target 2005 = 10) - Improvement in Lithuania's rank according to the corruption perception index of Transparency International (baseline 2002 = 4.8, target 2005 = 5.0)	- Capacity building programme for local government institutions to work with European Union structural funds implemented - Sociological surveys on corruption in the public sector carried out	Regular TRAC 80 Other GCS 700 TPCS 50
Strategic objective 3: Strengthening capacity of national/local institutions for environmental management and sustainable development				
G3-SGN2-SASN2 Increasing national capacity for participation in global conventions, regulatory regimes and funding mechanisms for environmentally sustainable development	- Environmental and sustainable development dimensions integrated in national and local development planning and policy frameworks	- Action plans to implement conventions on biodiversity, climate change, land degradation, persistent organic pollutants - Number of projects implemented with the support of Small Grants Programme (baseline 2002= 20, target 2005 = 50)	- Capacity gaps identified and action plans to implement conventions on biodiversity, climate change, land degradation and persistent organic pollutants developed and integrated into national planning frameworks - Capacity of local community organizations and NGOs to address environment and sustainable development concerns strengthened through targeted training programmes and awareness raising campaigns under the framework of SGP - Measures to improve energy efficiency in transport introduced based on positive outcomes of feasibility study	Regular TRAC 40 Other GEF 6,500
Strategic objective 4: Expanded national capacity for development cooperation (ODA)				
National capacity for participation in development cooperation	- National capacities strengthened, mechanisms, structures and systems established for Lithuania's contribution to development cooperation - Complementarity increased between the European Union and national development cooperation policies/priorities	- Lithuania's Development Cooperation Strategy (DCS) under implementation (baseline 2002 = draft Development Cooperation Strategy exists) - Per cent of gross national product (GNP) for development cooperation (baseline 2000= 0.03%, target 2005 = 0.09%)	- Communication strategy to accompany the DCS prepared and implemented - Mechanisms (codification of knowledge, rosters of experts) to coordinate and use experience existing across sectors in the framework of East-East and cross-border cooperation	Regular TRAC 85 Other GCS 400 TPCS 300
			Grand total	*Regular* TRAC line 1.1.1 638 *Other* 9,720 *Overall* 10,358